



STATE BOARD OF EDUCATION  
TRUSTEES OF BOISE STATE UNIVERSITY  
TRUSTEES OF IDAHO STATE UNIVERSITY  
TRUSTEES OF LEWIS-CLARK STATE COLLEGE  
BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO  
STATE BOARD FOR PROFESSIONAL-TECHNICAL EDUCATION  
TRUSTEES FOR THE IDAHO SCHOOL FOR THE DEAF AND THE BLIND

---

**APPROVED MINUTES**  
**Conference Call Meeting Agenda**  
**May 24, 2002**

**Present:**

Blake Hall, President  
Rod Lewis, Secretary  
Darrell Manning

Jim Hammond, Vice President  
Laird Stone  
Karen McGee

**Absent:**

Paul Agidius  
Marilyn Howard, State Superintendent

The meeting was called to order at 9:00 a.m. by Board President Hall.

**I. First Reading: Governing Policies & Procedures, Section II.N.**

Jane Hochberg introduced the item, summarizing the proposed changes as follows:

- Proposal covers financial exigency related layoffs,
- Allows chief executive officers the ability to institute actions other than layoffs,
- Sets forth clear new procedures for responding to a declared financial exigency; and
- Will enable institutions to close or discontinue programs based on financial exigency.

**MS (Hammond/Lewis):** To approve for first reading the proposed changes to Board Policy & Procedures, Section II.N.

**The motion carried unanimously.**

**II. FY 04 Budget Request Guidelines**

**MS (Manning/Hammond):** That the Board instruct staff to prepare an FY 2004 budget request for all agencies and institutions of the Board in accordance with the following guidelines:

Personnel Benefit Increases	Calculated per the Division of Financial Management's Budget Development Manual.
Inflationary Increases	Use a general inflationary increase of 2.4%, or a 4.0% medical inflationary increase in Operating Expenditures and/or Trustee and Benefits, per DFM.

Replacement Items	Cost of replacing operating expenditure and capital outlay items, per DFM Manual.
Change in Employee Compensation (CEC)	Calculate using 1% multiplier, per DFM Manual.
Interagency Non-Standard Adjustments	Includes fees for: State Controller Office, State Treasurer, Attorney General, risk management, refactored classes, building services space charges by the Department of Administration and all other lease or rent increases, per DFM Manual.
External Non-Standard Adjustments	Maintain current operations due to: occupancy of new buildings, enrollment changes, increases utility costs and separate inflationary factor for library books and periodicals and all per DFM Manual.
Fund Shift	Shift cost of Maintenance of Current Operations (MCO) costs from student fees and endowment funds to General Fund, as allowed by DFM Manual.

When in doubt, the Board Office, Division of Financial Management's Budget Development Manual or DFM staff should be consulted regarding calculations and/or amounts.

Agencies and institutions should not prepare any budget enhancement requests unless directed by the Budget and Human Resources (BAHR) committee of the State Board of Education. The full Board would then determine if such requests would be put forth as the official request of the State Board of Education.

The DFM Budget Manual specifically states that any agency requesting restoration funds for something that was included in a negative supplemental or base reduction must use an enhancement, not Maintenance, decision unit for restoration.

Agencies and institutions of the Board must also provide to the Board the programmatic effect of operating at 95% of the FY 2004 Maintenance of Current Operations budget (General Funds), prepared using the above guidelines.

**The motion carried unanimously.** The Board clarified that this direction is similar to what has occurred for the past several years, that the DFM Manual guidelines are what will be used for all state agencies, and that if there are problems as Board organizations begin development under these guidelines, the Board will hear from them at their next regular meeting.

Having no further business before it, the Board adjourned at 9:17 a.m.